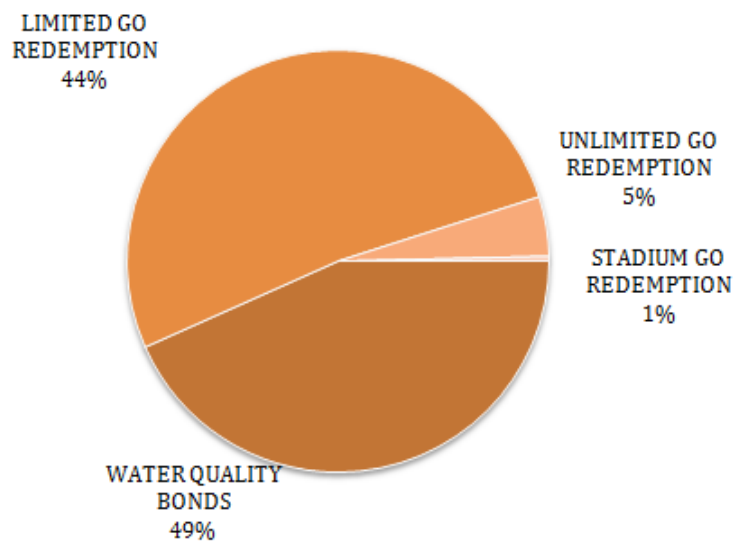
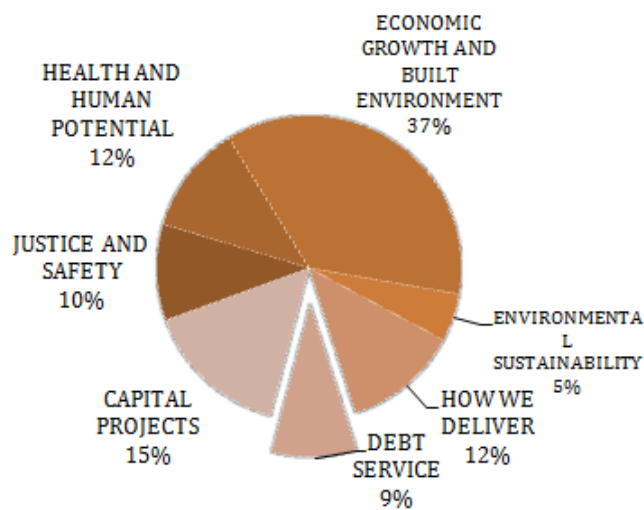

DEBT SERVICE

DEBT SERVICE ***\$488 MILLION***



Due to rounding, figures may not add to 100%.

Debt Budget Issues and Priorities

The 2012 Executive Proposed Budget increases the appropriation for the four bond repayment funds by \$104 million above the 2011 levels. There are four funds which directly pay debt service in King County: the Limited Tax General Obligation Bond Redemption Fund, the Unlimited Tax General Obligation Bond Redemption Fund, the Stadium General Obligation Bond Redemption Fund, and the debt service appropriation within the Wastewater Treatment Division Fund.

The 2012 budget authority for the Limited Tax General Obligation (LTGO) Bond Redemption Fund will increase by \$82.1 million over the 2011 Adopted Budget to \$252,677,456. Expenditures in this fund are entirely revenue backed by contributions from other funds throughout the county. This increase includes four change items.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made for known reductions in debt service payments. The largest portion of the decrease is due to removing the authority used to defease Safeco Field bonds in 2011. All of the adjustments result in a net decrease of \$41,598,197 from the 2011 Adopted Budget.

Revenue Backed Changes

Contingency for new bond sales – \$5,676,000 Expenditure / \$5,676,000 Revenue. At the end of 2011, King County expects to issue bonds to fund multiple projects, including a water pipe project in the King County Correctional Facility and an upgrade to the Barton Pump Station. In addition, the Bond Anticipation Notes (BANs) used to fund flood preparations on the Green River will be paid off by selling bonds. This change item builds the necessary expenditure authority in the LTGO fund to pay the debt service on these new issuances in 2012.

Bond Anticipation Note payoffs – \$125,523,078 Expenditure / \$125,523,078 Revenue. There are two BANs that will be paid off with either the sale of bonds in 2012 or by continuing to use short term financing in the form of additional BANs. The proceeds from the BANs were used to finance projects in Solid Waste, as well as the countywide Accountable Business Transformation (ABT) Program.

Technical Adjustments

Debt Service Schedule Adjustment – (\$7,801,148). This reduction aligns debt service expenditures with the current debt service schedules and reflects changes in the contingent budget authority built into the fund for variable rate bonds.

Revenue Adjustment – (\$40,297,627) Revenue. As a result of paying off the Safeco Field bonds in 2011, the County will no longer collect taxes previously dedicated to paying off these bonds. This change item reflects the reduction in restaurant sales tax collections, the rental car sales tax, the state sales tax credit, and other temporary revenues. This change also aligns contributions from other funds with the most current debt service schedules.

The General Fund share of the Limited Tax General Obligation bond payment will remain below the 6 percent debt cap based on General Fund revenue collections even with the inclusion of additional debt.

The 2012 budget authority for the Unlimited Tax General Obligation (UTGO) Bond Redemption Fund will decrease by \$415,350 from the 2011 Adopted Budget to \$22,240,250. The difference between Limited Tax General Obligation Bond financing and the Unlimited Tax General Obligation Bond financing is that Unlimited is approved by the voters, while Limited is approved by the County Council. Adjustments to the fund were made for known reductions in debt service payments.

The 2012 budget authority for the Stadium General Obligation Bond Redemption Fund, used to pay off debt for the Kingdome, will decrease by \$73,988 from the 2011 Adopted Budget to \$1,834,750. Adjustments were made for known reductions in debt service payments.

The 2012 Executive Proposed Budget for Wastewater Treatment Division (WTD) Debt Service includes \$195,545,816 for parity debt and \$16,074,087 for subordinated debt service, for a total debt service of \$211,619,903. The parity debt service includes approximately \$39.0 million for general obligation bonds and \$155.2 million for revenue bonds in addition to a general obligation bond credit enhancement fee of \$1.3 million. The subordinated debt service is comprised of approximately \$5.5 million for general obligation and revenue variable debt and \$10.6 million for State Revolving Fund and Public Works Trust Fund debt service. The Wastewater section has additional debt service details.

There are additional budgets with proposed expenditures associated with lease bonds, road improvement districts and guarantees, and central charges from the LTGO fund. These details are located in the appropriate department sections.

**2012 Proposed Budget for
Limited G.O. Bond Redemption 8400/0465**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	170,553,723	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(41,598,197)	0.00	0.00
Revenue Backed Changes				
RB01	Contingency for new Bond Sales	5,676,000	0.00	0.00
RB02	Bond Anticipation Notes Payoff	125,847,078	0.00	0.00
		131,523,078	0.00	0.00
Technical Adjustments				
TA01	Debt Service Schedule Adjustment	(7,801,148)	0.00	0.00
TA50	Revenue Adjustment - (\$40,297,627)	0	0.00	0.00
		(7,801,148)	0.00	0.00
2012 Proposed Budget		252,677,456	0.00	0.00

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

**2012 Proposed Budget for
Stadium G.O. Bond Redemption 8510/0467**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	1,908,738	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(73,988)	0.00	0.00
Technical Adjustments				
TA50	Revenue Adjustment - (\$1,786,030)	0	0.00	0.00
2012 Proposed Budget		1,834,750	0.00	0.00

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

2012 Proposed Budget for
Unlimited G.O. Bond Redemption 8500/0466

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	22,655,600	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(415,350)	0.00	0.00
Technical Adjustments				
TA50	Revenue Adjustment - (\$53,082)	0	0.00	0.00
2012 Proposed Budget		22,240,250	0.00	0.00

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

2012 Proposed Budget for**Wastewater Treatment Debt Service 4610/4999M**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	188,627,713	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	30,513,451	0.00	0.00
Technical Adjustments				
TA01	Debt Service Technical Adjustment	(7,521,261)	0.00	0.00
2012 Proposed Budget		211,619,903	0.00	0.00

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Debt Service Program Area				
		2010 Adopted	2011 Adopted	2012 Proposed
	WQ REV BONDS & OTH DEBT SVC	178,569,346	188,627,713	211,619,903
	LIMITED G O BOND REDEMPTION	161,518,519	170,553,723	252,677,456
	UNLIMITED G O BOND REDEMPTION	24,774,477	22,655,600	22,240,250
	STADIUM G O BOND REDEMPTION	5,732,006	1,908,738	1,834,750
TOTAL DEBT SERVICE		370,594,348	383,745,774	488,372,359

Use this page for notes.